

MILK-NEWS



Dear Dairy Farmers and Interested Parties,

Once again we are on the cusp of a new year.

Farm-gate milk prices have crept up a little in recent months. In many countries they have crossed the magic threshold of 40 cents/kg milk. There are exceptions, unfortunately, such as France and the Baltic States. The fact that prices there are not rising in the same way they are in the rest of Europe makes us dairy farmers doubt once more the functioning of the milk market. Especially since the dairy industry substantiates the rising prices with greater world demand for dairy products.

We dairy farmers wonder: does the world market have an impact only on, say, Germany and the Netherlands, but not on France? Or do perhaps the long-term contracts forced by the politicians on French milk producers and the inter-branch organisation CNIEL dominated by the buyers have something to do with it? Or is the dairy industry in many EU countries deliberately pushing farm-gate prices upwards? To pacify dairy farmers just before the end of the quota system and fake the golden future cited by the industry time and again?

One thing is clear: because production costs have also risen, the slightly higher milk prices are still not enough to generate a reasonable profit and set aside reserves. They are enough to stimulate production, though. And that is precisely where the danger lies. The day the market turns is inevitable. The only question is: when?

As is generally known, last year the EU Commission announced its intention to set up a monitoring agency for the milk market. The EMB welcomes this emphatically. We will see how swiftly this plan is put into practice. One thing is clear for us at EMB, though: it should not stop at monitoring the development of the market or margins at the individual stages of the value chain. Instead, effective market instruments should be decided on and installed as quickly as possible to enable the agency to take action when a market crisis is looming.

Putting this plan into action is the EMB's most important goal in 2014.

Romuald Schaber (President of the EMB)

2014: Europe on the move?

This will be an exciting year. At least, that is what you could think if you glanced at the EU institutions' agenda. In May, there are elections for the European Parliament, and after that the setting up of the new EU Commission, which has to be confirmed by the Parliament and the

European Council. The old commission's term of office finishes at the end of October 2014. Commissioner for Agriculture Dacian Ciolos in particular still has to set a few things in motion before then. There are important deadlines scheduled specifically for milk. New proposals for the milk market must be tabled by the middle of the year. These are sorely needed, since neither the Milk Package nor the CAP reform enshrines instruments capable of guaranteeing stability in the sector.

In September last year, Commissioner for Agriculture Ciolos had already envisaged a monitoring agency for the milk market. This announcement must now be converted into action in the summer proposals if the dairy sector is not to be allowed to plunge into the same chaos which is, unfortunately, so typical of the state of things in Switzerland. Because there are no sensible mechanisms there, once the quota system was abandoned in 2009 prices collapsed, and have not recovered to date. The upshot is that farms in Switzerland are closing every day; nationwide milk production is constantly on the decline.

Although the monitoring agency announced by Ciolos is already an essential first step for the EU, more steps have to be taken. Apart from monitoring the market, this agency must also be able to react and adjust volumes, for cost-covering farm-gate prices cannot be achieved without this.

Of course, it is not just the Commission that decides on the milk market. The Council of Ministers and the Parliament also have an important say when it comes to new rules. Even though many ministers of agriculture have come to realise that the milk market requires a sensible regulatory framework, there are still some governments trapped in traditional liberal thinking. Germany, the United Kingdom and the Netherlands insist on the traditional position, which is implicitly against milk production throughout the country. A movement forward is of urgent necessity, and in 2014 it is still a major task to bring these hardliners around to the idea of sustainable milk production in the EU. For the closer we get to the end of quotas in the EU, the more evident it becomes that the chosen path of deregulation and the dairies' dominance of the market is leading to a dead end: many farms throughout Europe are giving up milk production, and the size of the dairy sector workforce continues to dwindle.

So to really set something in motion there is a lot to do in this new year: for politicians, dairy farmers and consumers. Let's go!

Silvia Däberitz (EMB)

Presse conference: What does the future hold for the EU milk market?

The EMB has sent out the following invitation regarding a press conference at the International Green Week (IGW) on Thursday, 16 January 2014 in Berlin.

Dear Media Representatives,

What will 2014 bring the European milk producers? After the adoption of the Milk Package and the CAP, which resulted in hardly any improvements for farmers, the end of the quota regulation is at hand, whilst milk prices still do not cover production costs.

Yet something is happening: the EU Commission recently announced it would be putting forward proposals in 2014 for a market monitoring agency in the dairy sector. This is a first step to meeting a longstanding demand from the European Milk Board (EMB).

But what can a monitoring agency achieve? Will it be only a scanty cover-up by the politicians, or can it lead to long-term stabilisation of the milk market? And what will the milk producers do in

2014 to push through rules for a fair milk price?

The Board of the European Milk Board will be glad to answer these questions during its press conference at International Green Week in Berlin.

You are invited to the press conference at the Exhibition Centre –

Hall 6.3, Press Centre Room B – at 13:00 hours on

Thursday, 16 January 2014.

Christian Schnier (EMB)

Successful mobilisation in Brussels on 18 and 19 December

More than 2,000 people gathered at five crossroads in the European quarter on Thursday, 19 December 2013, on the initiative of Alliance D19-20, a non-partisan platform of individuals, farmers, associations, activists' networks and trade unions making these two demands: the abolition of measures advocated by the Treaty on Stability, Co-operation and Governance (TSCG) as the way to overcome the crisis, and an end to negotiations on the Transatlantic Trade and Investment Partnership (TTIP) between the EU and the USA, conducted behind closed doors without the people of Europe being able to air their views on the matter. The MIG and FMB, member associations of the EMB, belong to Alliance D10-20.

Attended by some 300 people, the meeting held on 18 December was already a great success. Organised in partnership with the Alter Summit network, it benefited from the attendance of Susan Georges from the ATTAC network as well as seven Europeans who came to talk about the socio-political situation in their countries and employment sectors. The mood of the meeting was dynamic and defiant, boding well for the next day and for future campaigns.

The demonstration on the 19th was indeed a great success. As planned, from 7.00 in the morning the alliance blocked five strategic crossroads with the aid of tractors and other vehicles, but above all with the aid of nearly 2,000 people who turned up for the whole demonstration. The large police presence managed to prevent us from gaining access to several areas; the summit was not blocked as such.

The aims were achieved nevertheless: to bring together different sectors of the public so as to learn to work together and organise a joint campaign, to take action on a more radical scale than we had taken part in over the years, and to make an increasingly broader section of the public aware of little-known issues not debated despite their catastrophic consequences. The energy of the demonstration was more than evident on various picket lines, and when all the demonstrators marched in procession to join the closest blockade to the summit.

Everyone involved in this campaign stated their intention to stake their first claim in a long battle against these European policies that are detrimental to the people of Europe. Alliance D19-20 proved that it is possible for struggles to converge in Belgium, and invites anyone wishing to join it in 2014. Until then it calls upon people to carry on signing the petition and find out more on its website.

Hundreds of articles on, photos and videos of this day of joint action have been posted on the Internet and are available from the alliance website: www.d19-20.be

Luc Holland (MIG and Alliance D19-20)

The dairies and the trade continue to block the rise in the milk price

Once more the inter-branch organisation Milch BOM was unable to agree at its last meeting on a moderate increase of 3 centimes in the reference price. The increase called for by the producers' representatives was rejected by the buyers. Instead, a model for calculating the reference price will be used that raises the reference price by 2 centimes based on the shop prices five months ago. But since this reference price is non-binding, only very few producers will actually receive a little more. For most of them the farm-gate price will remain the same or fall, because experience shows that after the New Year more and more milk is paid for as B and C milk.

The fact that prices still do not cover costs results in Switzerland no longer producing the milk volumes budgeted and demanded by the milk trade organisations. Feed for the winter is also in short supply, and inadequate returns on milk make it not worth buying in extra feed. Newborn bull calves are sold off immediately. Prices paid for these animals are at an all-time low. Every week they are taken directly to the slaughterhouse in their hundreds.

The downward trend in the number of dairy cattle since summer 2012 continues. In October 2013, it was 2% lower than in October 2012. That means 11,600 cows fewer within one year or even 20,000 down on previous years. Another striking statistic from the Swiss livestock database is that the number of young cows (2 - 3 years of age) has decreased by 8.5%, whereas there has been a 3.5% rise in the number of old ones. Farmers are simply milking the older ones for a little longer; but there is a lack of animals to be reared! The inevitable question is when the milk buyers and the trade will realise that milk production is only sustainable if the farm-gate price actually covers costs.

Werner Locher (BIG-M)

We're fed up with the agricultural industry: demo in Berlin on 18 January

Once again, this year the *Meine Landwirtschaft* (My Agriculture) alliance in collaboration with ARC 2020, AbL and many other civil-society groups is urging people to attend a big demonstration in Berlin on 18 January. Under the banner "Good Food. Good Agriculture. For Everyone" the call will be for a more ecological, fairer family-farming agricultural policy.

Once again more than 20,000 demonstrators will be needed to make a clear political statement. For more information on the demo visit www.wir-haben-es-satt.de.

Timetable:

08:00 hours	Breakfast fry-up in Markthalle IX
11:00 hours	Prelude to the demonstration, Potsdamer Platz
12:00 hours	Demonstration at the Chancellor's Office, followed by closing rally
15:00 hours	Expected end of the demonstration, followed by Rock for Nature with Ratatösk
14.30 hours	Political soup-pot in the Heinrich Böll Foundation – warm-up, network and eat

Christian Schnier (EMB)

EMB diary

These are some of the most important dates for the EMB Board in January 2014:

- 16.01.: Press conference at the International Green Week (IGW) in Berlin
- 17.01.: Board meeting in Berlin
- 20.01.: NGO workshop on EU-US free trade agreement (TTIP) in Brussels

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